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RECORDATION NO. .... Filed 1425

NOV 3 1980 -3 40 PM

INTERSTATE COMMERCE COMMISSION

October , 1980

0-308A 116  
No. NOV 3 1980  
Date.....  
Fee \$50.00

ICC Washington, D. C.

REGISTERED MAIL

Secretary of the Interstate Commerce Commission  
Washington, D.C. 20423

Re: Heritage Bank and Trust - Loan to  
Outland, Grover C. and Margaret M.

Dear Sir:

In accordance with the terms of the Code of Federal Regulations, Title 49, Chapter X, Part 1116 enclosed please find the original and two counter parts thereof of a security agreement for filing in your office. All enclosures have been fully executed and duly acknowledged by the parties thereto.

In accord with the foregoing regulations, the following information is provided:

1. Names and addresses of the parties to the transaction:

(a) Secured Part - Heritage Bank and Trust,  
A Virginia corporation  
P.O. Box 3749  
Norfolk, Virginia 23514

(b) Debtors - Grover C. Outland and  
Margaret M. Outland  
5915 Studeley Avenue  
Norfolk, Virginia 23508

2. General description of the equipment:

One Marine Industrie Limitee  
100-Ton Truck Covered Hopper Railcar,  
Identifying Marks RRRX 1274, AAR Mechanical  
Designation "LO".

Also enclosed please find a check made payable to your order order in the sum of \$50.00 to cover the required filing fee.

Secretary of the Interstate Commerce Commission  
October , 1980  
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After due filing, please return the original document to Heritage Bank and Trust, P.O. Box 3749, Norfolk, Virginia 23514.

Thank you for your assistance and cooperation.

Very truly yours,

HERITAGE BANK AND TRUST

By *C. Phillips Kraemer*  
~~Loan~~ Officer

bp

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## INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

THIS AGREEMENT, Made this 21<sup>st</sup> day of October, 1980, between GROVER C. OUTLAND and MARGARET M. OUTLAND whose address is 5915 Studeley Avenue, Norfolk, Virginia 23508, hereinafter called the Debtor, and HERITAGE BANK AND TRUST, a Virginia banking corporation, whose address is Post Office Box 3749, Norfolk, Virginia 23514, hereinafter called the Secured Party.

1. OBLIGATION TO PAY. The Debtor, concurrently with the execution and delivery of this agreement, is borrowing the sum of Thirty-Eight Thousand Dollars (\$38,000.00), from the Secured Party, which borrowing is evidenced by the Debtor's promissory note bearing this date in that amount.

2. COLLATERAL. The Debtor desires to enter into this agreement for the purpose of creating a security interest in favor of the Secured Party in the following personal property, together with all additions and accessions thereto, and all proceeds of their sale or disposition, hereinafter referred to as goods:

One Marine Industrie Limitee  
100-Ton Truck Covered Hopper Railcar  
Identifying Marks RRRX 1274, AAR Mechanical  
Designation "LO".

3. CREATION OF SECURITY INTEREST. The Debtor, in order to secure (1) payment of the debt evidenced by the note, including renewals and extensions thereof; (2) all costs and expenses incurred in collection thereof; (3) all future advances made by the Secured Party for taxes, levies, insurance, and repairs to or maintenance of such goods; (4) all other money heretofore or hereafter advanced by the Secured Party to or for the account of the Debtor at the option of the Secured Party; and (5) all other present or future direct or contingent liabilities of the Debtor to the Secured Party, together with

interest on all of the foregoing, hereby creates in favor of the Secured Party a security interest in such goods.

Until default hereunder, the Debtor shall be entitled to the possession of the goods and to use and enjoy the same.

4. DEBTOR'S WARRANTIES AND AGREEMENTS. The Debtor warrants and agrees that:

(a) The goods are owned by the Debtor and are not subject to any security interest except that created by this agreement, or to any liens or encumbrances, and the Debtor will defend the goods against the claims and demands of all persons.

(b) The Debtor will not sell, exchange, encumber or pledge the goods, create any security interest therein (except that created by this agreement), or otherwise dispose of the goods or any of the Debtor's rights therein or under this agreement without the prior written consent of the Secured Party.

(c) The Debtor will maintain the goods in good condition and repair, reasonable wear and tear excepted, and will pay and discharge all taxes, levies, and other impositions levied thereon as well as the cost of repairs to or maintenance of the same; if the Debtor fails to pay such sums, the Secured Party may do so for the Debtor's account adding the amount thereof to the debt secured hereby.

(d) The Debtor will insure the goods against such risks and casualties and in such amounts as the Secured Party shall require; all insurance policies shall be written for the benefit of the Debtor and the Secured Party as their interests may appear, and such policies or certificates evidencing the same shall be furnished to the Secured Party. If the Debtor fails to pay the premium on any such insurance, the Secured Party may do so for the Debtor's account adding the amount thereof to the debt secured hereby. The Debtor hereby assigns

to the Secured Party any return or unearned premiums which may be due upon cancellation of any such policies for any reason whatsoever and directs the insurers to pay the Secured Party any amounts so due. The Secured Party is hereby appointed the Debtor's attorney-in-fact to endorse any draft or check which may be payable to the Debtor in order to collect such return or unearned premiums or the proceeds of such insurance; any balance of insurance proceeds remaining after payment in full of all amounts secured hereunder shall be paid to the Debtor.

(e) The Debtor will keep the Secured Party advised of the location of the goods as far as is reasonably possible.

(f) The Debtor will not permit any other security interest to attach to any of the goods, permit the goods to be levied upon under any legal process, or permit anything to be done that may impair the value of any of the goods or the security intended to be afforded by this agreement.

(g) The Debtor will pay all costs of filing any financing, continuation, or termination statement with respect to the security interest created by this agreement; the Secured Party is hereby appointed the Debtor's attorney-in-fact to do all acts and things which the Secured Party may deem necessary to perfect and continue perfected the security interest created by this agreement and to protect the goods.

(h) The Debtor will promptly notify the Secured Party of any change in the location of any place of business and residence and of the establishment of any new place of business and residence.

5. DEFAULT AND REMEDIES. In the event of default in the payment of the debt referred to in paragraph 1, or any past or future advances, expenditures, or liabilities hereby secured,

or in the due observance or performance of any of the other conditions or agreements hereof; or in the event any of the warranties of the Debtor herein contained shall prove to be false or misleading; or in the event that the Debtor shall become insolvent or shall be adjudicated bankrupt, or shall make an assignment for the benefit of creditors; or bankruptcy, insolvency, reorganization, arrangement, debt adjustment, or litigation proceedings, or receivership proceedings in which the Debtor is alleged to be insolvent or unable to pay his debts as they mature, shall be instituted by or against the Debtor, and if any of such proceedings are instituted against the Debtor, the Debtor shall consent to the same or admit in writing the material allegations of the petition filed in such proceedings or such proceedings shall not be dismissed within 60 days after their institution; then, upon the occurrence of any of the above events, the Secured Party may declare the unpaid balance of such debt and all such advances, expenditures, and liabilities immediately due and payable without demand or notice, and the Secured Party may enter judgment on such note or otherwise reduce such debt, advances, expenditures, and liabilities to judgment, and in addition proceed to exercise one or more of the rights accorded by the Uniform Commercial Code in force in the Commonwealth of Virginia at the date of this agreement. It is understood and agreed that this agreement has been made and entered into pursuant to such Code and that the Secured Party has all the rights and remedies accorded thereby. If any provisions of this agreement shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, but this agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

6. BENEFIT. The rights and privileges of the Secured Party under this agreement shall inure to the benefit of its successors and assigns. All covenants, warranties, and agreements of the Debtor contained in this agreement are joint and several and shall bind personal representatives, heirs, successors and assigns.

WITNESS the following signatures and seals:

Grover C. Outland (SEAL)  
GROVER C. OUTLAND

Margaret M. Outland (SEAL)  
MARGARET M. OUTLAND

HERITAGE BANK AND TRUST

BY C. Phillip Kraemer (SEAL)  
LOAN OFFICER

STATE OF VIRGINIA  
CITY OF NORFOLK, to-wit:

The foregoing instrument was acknowledged before me this 21<sup>st</sup> day of October, 1980, by GROVER C. OUTLAND and MARGARET M. OUTLAND.

Att. Huf  
NOTARY PUBLIC

My commission expires:

12-5-83

STATE OF VIRGINIA  
CITY OF NORFOLK, to-wit:

The foregoing instrument was acknowledged before me this 21<sup>st</sup> day of October, 1980, by Robert Healy, Loan Officer of HERITAGE BANK AND TRUST on behalf of the corporation.

Robert Healy  
NOTARY PUBLIC

My commission expires:

12-5-83